

## RESPONSE TO CNPA ECONOMIC ACTION PLAN

### BY GRANTOWN BUSINESS ASSOCIATION

Prepared and submitted [REDACTED] on behalf of the Grantown Business Association

Please see below the GBA's response to the CNPA's Economic Action Plan 2019-2022. We value the CNPA's recent interest in local business and specifically Xander, Murray and Grant's efforts to involve our smaller businesses in the plan. Small business is by far the majority of business in the park, 87% with less than 10 employees. Unfortunately, most of these businesses are highly unlikely to read the plan as it does not specifically relate to them. It is too high level. The time of year is also not ideal for the majority of Grantown businesses that we work with.

In order to address this in the future, I recommend that Business Associations work with businesses (particularly small businesses) to create a local action plan which can feed into the CNPA's action plan, taking a bottom up approach. This would help the 87% of small businesses feel they are being listened to.

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#### Question 1

Are there other significant economic trends, challenges, opportunities or data sources that we should be taking into account in developing this Action Plan?

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#### **Economic Trends and Challenges**

##### Austerity Cuts

This has resulted in reduced or no small business support, affecting over 87% of businesses (those employing <10 people). Most small business support is provided online, but businesses we have spoken to do not find this helpful.

##### High Streets and Consumer Behaviour Changes

Locals increasingly shop online for convenience, or they travel to cheap stores to reduce cost. High Streets are increasingly reliant on visitor footfall which is seasonal and sporadic. Grantown's High Street is struggling, along with many others. We recommend this be included as a challenge/trend in its own right, in the same way that Ski Centres are. One solution is to make some of the key towns destinations in their own right as we are trying to do with Grantown for next season.

##### Banking

Banks are over-cautious and lending less, businesses are struggling to raise finance, affecting start-ups and growth. Due to the lack of business support, small businesses, in particular, don't know where to go for funding support.

##### Employment Law

Employment law is stifling recruitment in small businesses. Many of these are 'lifestyle' businesses which trade under the VAT threshold because they do not want the admin burden. They tend to employ staff who earn less than the threshold for pensions, employers' NI, etc. Staff are normally on seasonal, zero hours contracts or self-employed sub-contractors.

## Data

It would be interesting to know the % of small businesses that trade under the VAT threshold. It is a barrier to employment and growth. As an example, a 4\* guest house with 6 bedrooms in Grantown is likely to reach the VAT level by being open throughout the summer. If they go over the threshold, they immediately have to increase their turnover by c.£20k just to stand still. This would mean selling 220 room nights from Nov-March (151 nts) at £90/nt which is highly unlikely. It has a negative impact on employment as only seasonal work can be offered resulting in zero hours contracts or work given to self-employed individuals.

In the 'Employment by Sector' section, it would be interesting to know the % in retail as this sector is particularly fragile currently. This could be used as a measurement for success for High Street retail initiatives.

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## Question 2

Do you support these Actions to deliver the economic strategy as set out in the National Park Partnership Plan? Please explain why

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Action has already started in most cases for the actions identified within the plan.

We have recommended new actions to be added to the plan to complement those already started with suggested ways to measure their success.

Living Wage – This action is supported. But the extra cost for business will be challenging. The living wage (£9) costs businesses approx. £12.53 p/hr (inc pension, holiday & emp NI), compared with £11.43 for the minimum wage (£8.21). The difference of £1.10 p/hr equates to £181.50 p/mth (av.22 working days) for a 37.5 hr week. The monthly salary bill increases by over £500 p/mth for every 3 employees. This will be challenging for SMEs, particularly in the hospitality sector, where many people work longer hours.

*NEW ACTION* - Historic Architecture – Grantown is an historic, attractive town to visit and live, it is an economic strength of the park. But, the buildings need investment. It is not pleasant walking the High Street with rain pouring out of the gutters and downpipes, and windows/woodwork being poorly maintained above the shops. We recommend an action to identify landlords, support them in finding finance / funding to restore high streets to their former glory. The measure against this action could be attracting new investment to the town and locals feeling more proud of where they live.

*UPDATE TO ACTION* - Supporting Business – the action to “investigate potential for new models of business support...” needs to go further. It needs to include specific actions that will have measurable success by 2022. With 87% of the park’s business being made up of small business, a lead needs to be identified to work specifically with small businesses. I would suggest “investigate, set up and deliver new models of business support.... In partnership with the seven Business Associations”. This could be measured by a model being launched and the number of small businesses supported by 2022.

*NEW ACTION* - Priority Theme 3 – digital training and skills are already happening, these are not new. 47% of businesses are in tourism. This sector struggles to recruit staff and relies heavily on

Europeans. Giving young people the opportunity of an apprenticeship in this sector would create a feed of local, future employees with the right skills. Apprenticeships take a minimum of 12 months which means many seasonal tourism businesses are unable to recruit apprentices. There is an opportunity for an action to design, launch and deliver a new model of apprentices being employed under an umbrella organisation (maybe a social enterprise) which can employ year round with training taking place in small tourism businesses. This will create a feed of future employees with the right skills and give young people more opportunities.

Re capital investment examples – we would like to see the new distillery included within this. We also suggest there should be a specific action on capital investment being made into our high streets as previously mentioned.

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### Question 3

Are these delivery and monitoring arrangements appropriate for the Economic Action Plan? Please explain why

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We suggest that monitoring arrangements need to be more specific. Targets for each of the actions should be included to be able to properly measure their success. Where possible, these should be quantitative and SMART.

There is also a concern that, whilst the CNPA owns the action plan, they do not own most of the actions, and therefore, how will they influence the leads on each action to achieve?

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*The above response takes into account the views of 60 small businesses in Grantown's retail, hospitality and tourism sectors. Views have been collected via an online survey, group meeting and personal discussions.*

Response submitted by [REDACTED] on 20/9/19

On behalf of the Grantown Initiative

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